

Appendix H

Existing and Future No Build Economic Assessment



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Baseline Economic Assessment for SR 303 Corridor

September 10, 2019

INTRODUCTION

Background and Purpose

State Route 303 (SR 303) is a state highway in Kitsap County connecting Bremerton to Silverdale. It serves as a primary transportation corridor for Bremerton Shipyard workers, other businesses within Bremerton, and connects the residential communities along the corridor and beyond to the Bremerton Ferry Terminal, providing access to Seattle.

The City of Bremerton and the Washington State Department of Transportation (WSDOT) have launched a comprehensive corridor study, looking at the segment between Burwell Street to McWilliams. Livability, safety, and economic vitality are common areas for improvement highlighted by the City, the public, and business owners along the SR 303 corridor.

Community Attributes was commissioned to conduct an economic assessment of the corridor and identify potential real estate development impacts of potential corridor improvements. The latter represents the second phase of this study still to be completed. This report presents a summary of the technical results from the baseline economic assessment of the SR 303 Corridor. The objective of this assessment is to provide an understanding of current economic conditions, historic growth trends, and economic drivers along the study corridor and adjacent area. Furthermore, the analysis aims to develop a profile of the SR 303 corridor and outline its role in supporting economic activity and competitiveness in the region.

Methods

The baseline economic assessment includes a review of SR 303 corridor users, origins and destinations data from the PSRC regional travel demand model to determine the travel shed of interest, and analysis of economic and real estate market indicators.

Data used in this report are drawn from several sources, including the Puget Sound Regional Council (PSRC), Washington State Office of Financial Management (OFM), Kitsap Economic Development Alliance (KEDA), Kitsap County Assessor's office and CoStar.

Organization of Report

The remainder of this report is organized as follows:

- **Key Findings.** Provides a summary of the key findings from the baseline economic assessment of the SR 303 Corridor.
- **SR 303 Travel Shed Analysis.** Defines the project study area. Reviews direct and indirect users of the SR 303 corridor and determines concentrations of origins and destinations and urban activity associated with the corridor.
- **SR 303 Market Analysis.** Provides a profile of the study area and examines the economic characteristics and trends using secondary data on industrial mix, employment levels, commuting and trade patterns, land use patterns and other real estate market indicators.

KEY FINDINGS

- The importance of the SR 303 corridor as it relates to economic development possesses many aspects. The corridor serves as a local commute route for urban areas along the corridor and connects important economic and community assets, such as the Puget Sound Naval Shipyard, Downtown Bremerton, and the Ferry Terminal with Silverdale and other communities to the North through SR 3. With more than 30,000 average daily vehicles travelling on SR 303, businesses along the corridor rely on SR 303 for customers but also to reach suppliers or other transportation corridors connecting them to regional markets.
- While manufacturing and government jobs increased between 2006 and 2018 and supported an overall increase in employment in the study area, other sectors such as services, retail and education have experienced a decrease in employment. The breakdown of employment in the corridor study area shows the local economy is heavily influenced by the presence of the Naval Base and Shipyard, with most of the employment in government jobs. Improvements to the SR 303 corridor could enhance the ability of the City of Bremerton to recruit new companies to diversify the local economy.
- Between 2000 and 2018, population in the study area grew at a slower rate than population in the Central Puget Sound Region. Median income in the study area is mostly below Kitsap County median income. Transportation improvements to SR 303 could increase the attractiveness of the study area as a place to live and attract new residents which bring with them investments in housing, goods, and services.
- Most study area residents were high school graduates but a smaller share of residents than in Kitsap County and the Central Puget Sound Region have a Bachelor's degree or higher. The presence of the Navy ensures a skilled labor pool that could be tapped by new or expanding businesses in the area.

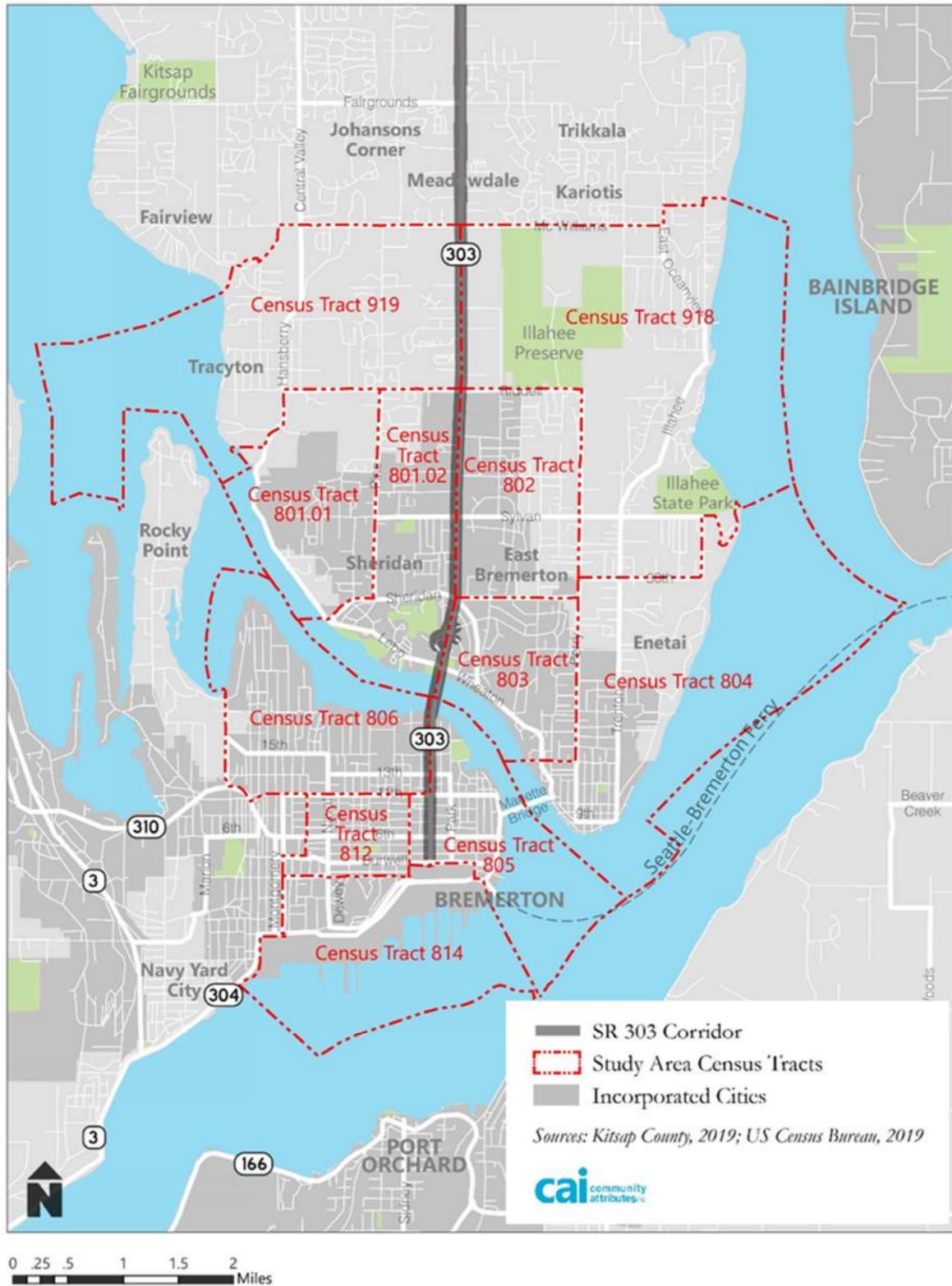
- The SR 303 corridor is dominated by general commercial and institutional uses. To the north lie several large recreational uses; multifamily residential is concentrated along the corridor itself, in Sheridan Park, along McWilliams, and in Downtown Bremerton. Most of the study area includes single-family residential development and vacant land / open space.
- Most of Bremerton's multifamily housing units are concentrated in the study area, especially in East Bremerton and constitute a critical workforce housing supply for Bremerton and the region. However, with declining vacancy rates and rents rising, this supply of affordable market rate housing may not meet future demand.
- Office, Retail, and Multifamily Residential real estate submarkets all experienced a marked period of higher vacancy rates, relatively low lease / rental rates, and negative to flat absorption in the post-Great Recessionary period.
- Retail and multifamily housing recovered more quickly though all three types have now achieved period-low (2009-2019) vacancy rates. New retail and, especially, multifamily housing construction occurred between 2016-2018 and absorption (leasing and sales) since 2018 remains positive.

SR 303 TRAVEL SHED ANALYSIS

Study Area

The SR 303 Corridor Study Area is bounded to the south by the intersection with Burwell Street, signed as SR 304, and by NE McWilliams Road to the north. Part of the study area up to Riddell Avenue is located within the City of Bremerton while the rest is within the unincorporated area of Kitsap County. The area consists of 11 census tracts encompassing parts of the City of Bremerton and Kitsap County immediately surrounding the northern portion of Bremerton's SR 303 highway corridor (**Exhibit 1**).

Exhibit 1. Map of SR 303 Study Area



SR 303 Corridor Users

State Route 303 (SR 303), also known as Wheaton Way, is a 9-mile state highway in Kitsap County that connects State Route 304 in the City of Bremerton, north of the Puget Sound Naval Shipyard to the SR 3/Kitsap Mall Boulevard junction in the community of Silverdale. The SR 303 corridor is one of the primary north-south arterials on the Kitsap Peninsula for local travel. The SR 303 corridor is also used by tourists and recreational travelers that visit the Peninsula via the Washington State Ferries.

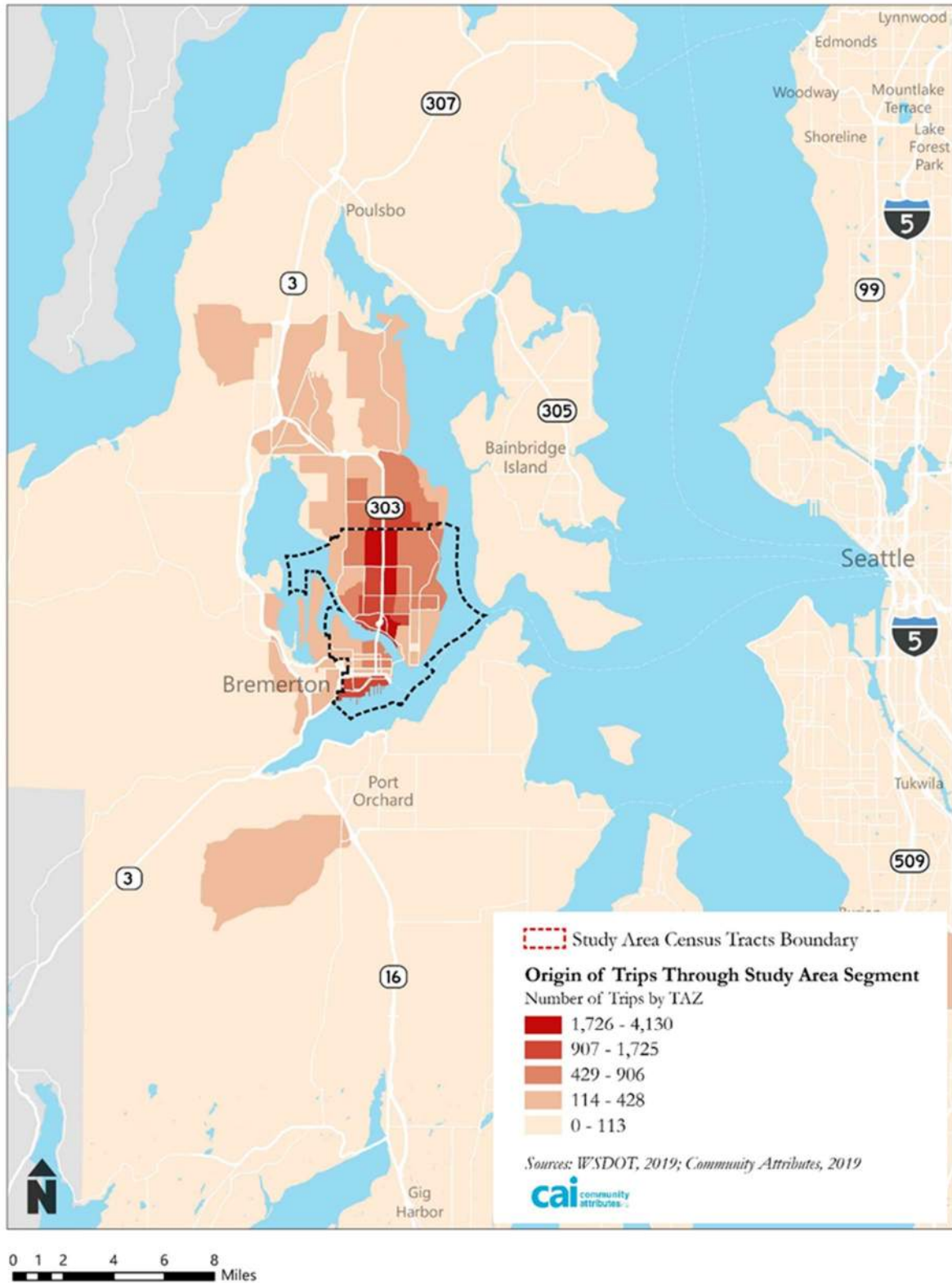
Public transit in Bremerton consists of fixed-route bus and ferry service provided by Kitsap Transit and Washington State Ferries. Kitsap Transit operates several bus routes along SR 303 that serve the Bremerton-Silverdale-Poulsbo corridor. The agency is opening a new transit center (Wheaton Way Transit Center) to allow for future growth of public transit operations along the corridor for the next 30 to 40 years.

SR 303 connects commuters to the Bremerton Transportation Center located in Downtown Bremerton and the Ferry Terminal indirectly through SR 304. The Transportation Center provides connections to key local and regional destinations through seven Kitsap Transit and one Mason Transit bus routes. The Bremerton Ferry Terminal is a major transportation hub for Kitsap County and the Bremerton to Seattle ferry carried almost 2.9 million riders in 2018. The terminal also provides passenger only connections to Port Orchard and Annapolis, operated by Kitsap Transit.

SR 303 is also an important element of the freight network on the Kitsap Peninsula. The corridor serves as north-south city designated truck route and connects with SR 3 and SR 304, which are identified as WSDOT Highways of Statewide Significance. SR 303 also serves the Kitsap Naval Base which brings cargo to freight facilities located on Puget Sound Naval Shipyard.

Data from the Puget Sound Regional Council (PSRC) travel model suggests where traffic using the study area SR 303 corridor stretch is originating. **Exhibit 2** shows that the great majority of users of the study area corridor segment of SR 303 are mostly local. The greatest number of trips originate either along the corridor itself, or from the Navy Yard, with very few trips originating outside the Bremerton and Silverdale traffic analysis zones.

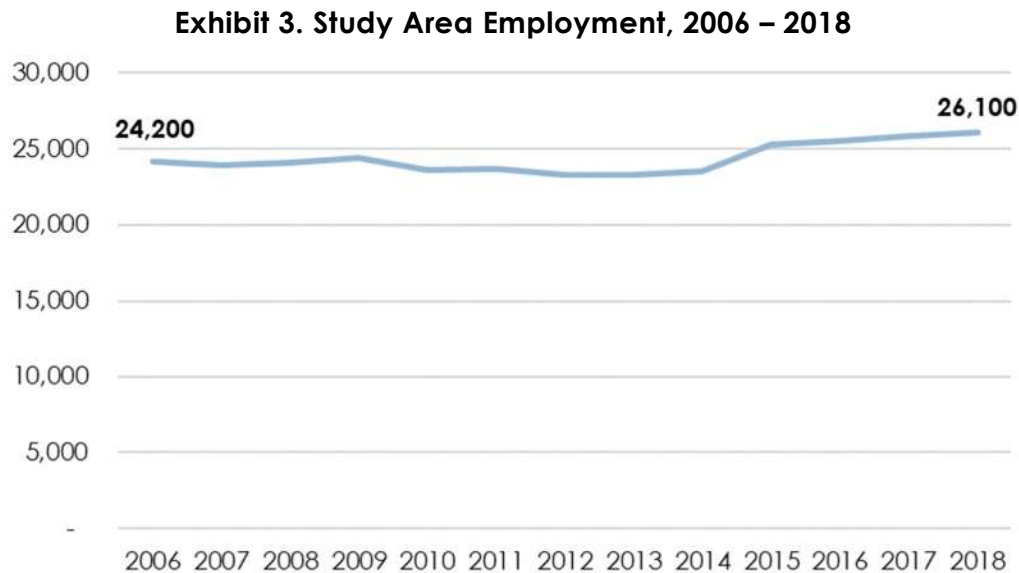
Exhibit 2. Travel Origins for Study Area SR 303 Trips, 2014



SR 303 MARKET ANALYSIS

Industry and Employment

Total employment in the study corridor area increased from 24,200 jobs in 2006 to 26,100 jobs in 2018. Following a period of decline during the Great Recession, the study area added 2,800 jobs between 2013 and 2018. The highest growth in employment occurred in 2015 and was mainly due to an increase in government sector jobs (**Exhibit 3**).



Sources: Puget Sound Regional Council, 2019; Community Attributes, 2019.

Note: PSRC covered employment estimates do not include estimates of military personnel.

Employment in the study corridor area increased at a compound annual average rate (CAGR) of 0.6% from 2006 to 2018, compared to 0.5% county wide and 1.4% regionally (**Exhibit 4**). The growth in employment in the study area accounted for approximately 36% of the total employment growth in Kitsap County during this time period.

The study area includes major economic hubs which play an important role in shaping growth patterns within Kitsap County. Downtown Bremerton, which is designated as a Regional Growth Center in the Puget Sound Regional Council VISION 2040, is intended to absorb a significant portion of new jobs, population and housing in the region. The Eastside Employment Center (EEC), a long-standing employment center in the City, has been home to Harrison Medical Center and other healthcare companies. The Medical Center will relocate to Silverdale starting in 2020, with the full departure of the hospital expected to be completed by 2023. Many of the related businesses supporting the hospital are also relocating. The City of Bremerton is working

on a new vision for the EEC to maintain its economic vitality and identify new uses that benefit the community as a whole.

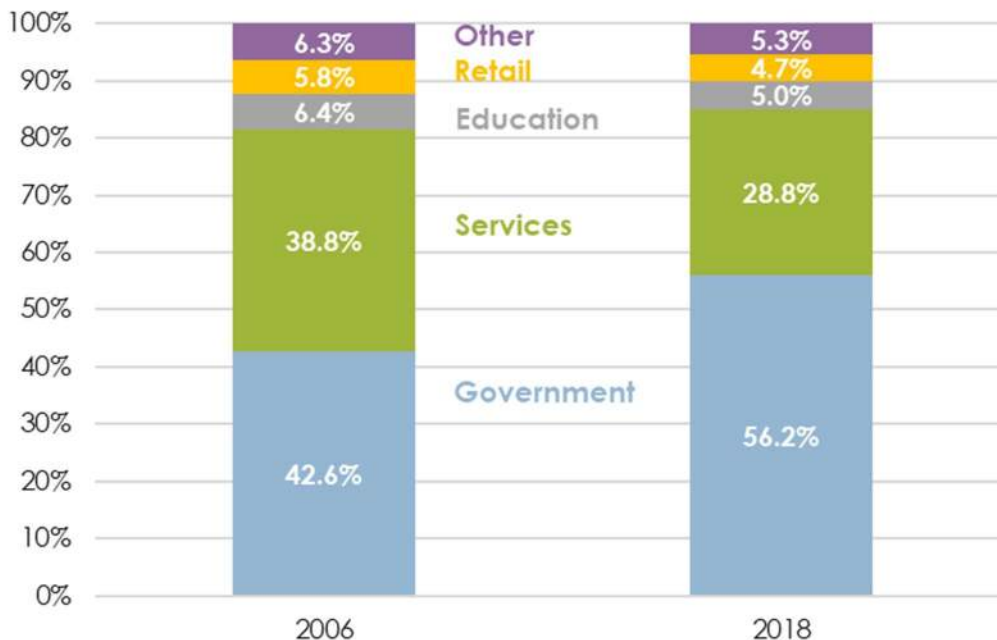
Exhibit 4. Study Area and Regional Employment Growth, 2006 – 2018

Geography	2006	2018	Change 2006 - 2018		
			Total #	Total %	CAGR
Study Area	24,200	26,100	1,900	8%	0.6%
Bremerton	28,000	31,400	3,400	12%	1.0%
Kitsap County	83,400	88,700	5,300	6%	0.5%
Central Puget Sound Region	1,792,800	2,126,800	334,000	19%	1.4%

Sources: Puget Sound Regional Council, 2019; Community Attributes, 2019.

In 2018, over 56% of total employment in the study area was concentrated in the government sector with another 29% in the services industry. The share of government jobs as a percentage of total employment in the study area has increased since 2006 (**Exhibit 5**). Some of the major employers in this sector include the Kitsap Naval Base, the Puget Sound Naval Shipyard and Intermediate Maintenance Facility, the Bremerton Transportation Center and state and county government services facilities. Because of these facilities, Bremerton's growth patterns remain heavily dependent on military and other government expenditures.

Exhibit 5. Study Area Employment by Industry, 2006 and 2018

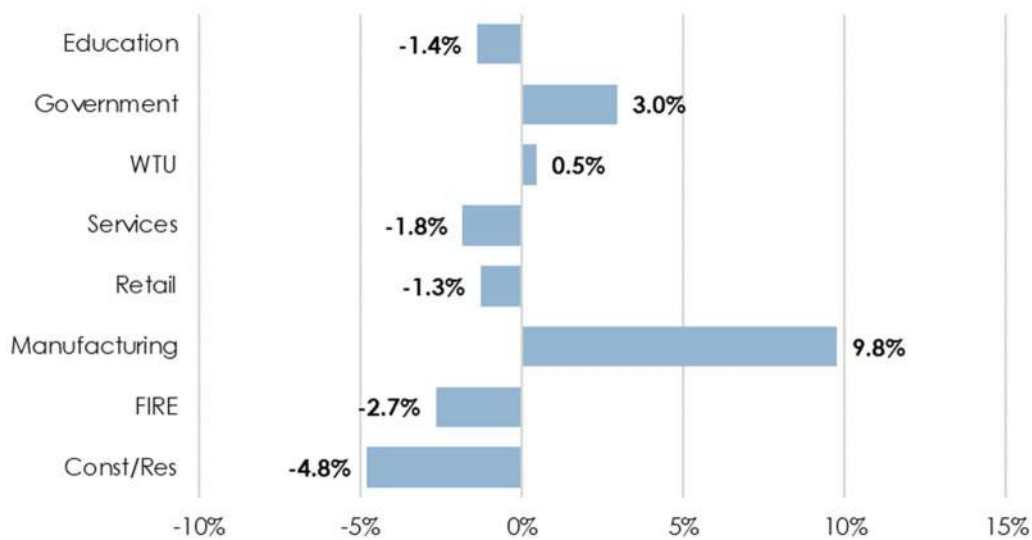


Sources: Puget Sound Regional Council, 2019; Community Attributes, 2019.

Note: Other includes Construction/Resources, Finance, Insurance and Real Estate, Manufacturing and Wholesale, Transportation and Utilities.

Although manufacturing jobs have more than doubled between 2006 and 2018, the manufacturing industry represents a very small share of the total employment in the study area (1.5% in 2018). All other industries except government and wholesale, transportation and utilities (WTU) have experienced a decline in the number of jobs during this time period, with the most significant decrease in construction and resources jobs at around 5% per year on average (**Exhibit 6**).

Exhibit 6. Average Annual Change in Study Area Employment by Industry, 2006 – 2018



Sources: Puget Sound Regional Council, 2019; Community Attributes, 2019.

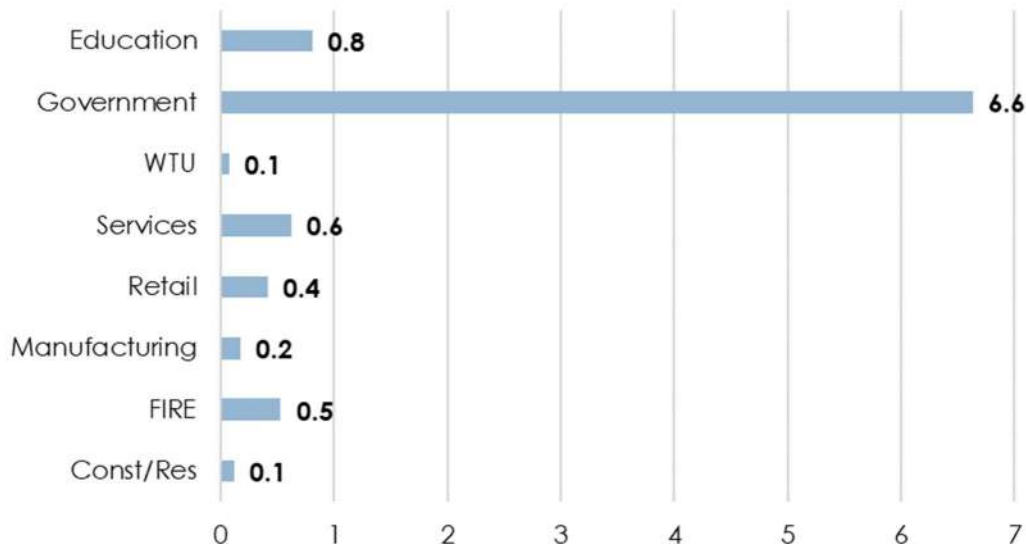
Note: WTU stands for to Wholesale, Transportation and Utilities; FIRE stands for Finance, Insurance and Real Estate; Const/Res stands for Construction/Resources.

A location quotient analysis is a useful method for determining which industries, within the study area, have a greater proportional share of jobs than the region. A location quotient analysis was completed to compare the share of jobs by industry in the study corridor to the share of jobs by industry in the Central Puget Sound Region in 2018. A location quotient above 1.0 indicates a greater proportional share of jobs for that industry in the study area than in the region, and a location quotient below 1.0 indicates there is a lesser proportional share of jobs.

The study area has a less than proportionate share of employment relative to the Central Puget Sound Region in all industries except government. As a result of Naval Base Kitsap's large, complex, and longstanding presence in Kitsap, the study area has a higher concentration of government jobs than the

Central Puget Sound region (**Exhibit 7**). The County’s military and defense industry is supported by an annual direct expenditure by the Department of Defense of \$1.6 billion, or approximately \$6,200 per Kitsap resident. This generates additional spending throughout the County estimated at \$6.1 billion¹.

Exhibit 7. Study Area Location Quotients, 2018



Sources: Puget Sound Regional Council, 2019; Community Attributes, 2019.

The Puget Sound Naval Shipyard and Intermediate Maintenance Facility is the second largest industrial complex in the Pacific Northwest. Most of its employees are civil servants of the US Department of Defense and repair, rebuild, and maintain the US Navy’s modern fleet. The shipyard is a hub of engineers, mechanics, and technicians with experience in the latest maintenance and modernization techniques on ships and submarines. The high concentration of skilled workers attracts other companies to the area and supports related industries. Large, multi-national defense firms that have established operations in the study area include General Dynamics Nassco, Lockheed Martin, and Northrop Grumman.

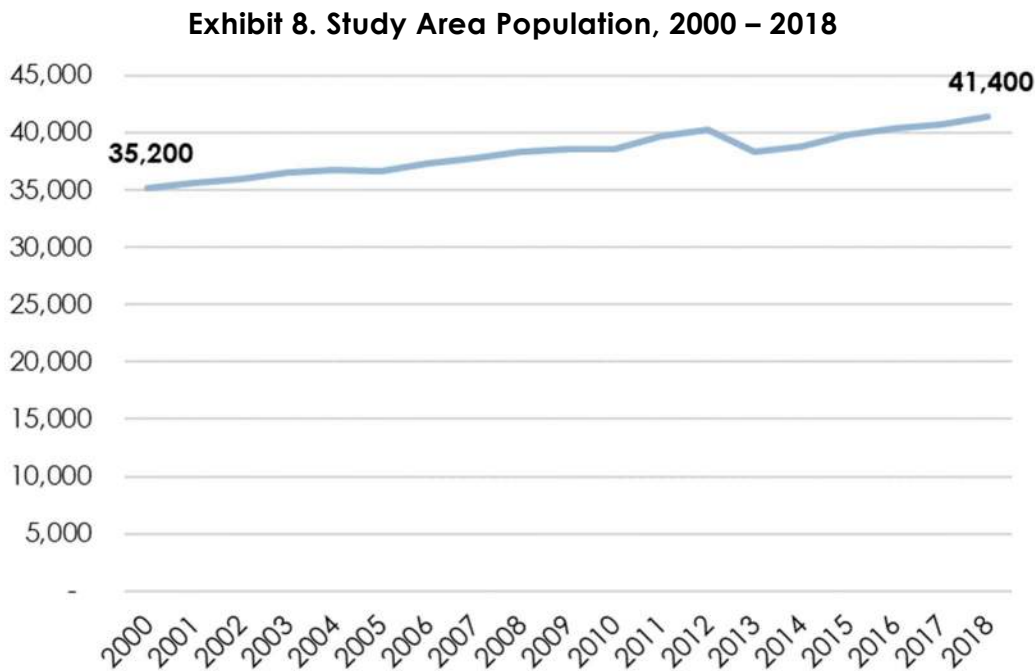
Demographics

Population

The total population in the study area in 2018 was 41,400 people and it grew by around 1% on average per year since 2000. The rate of growth was higher than that of the City of Bremerton and Kitsap County population but less

¹ Kitsap Economic Development Alliance, *Snapshot of Kitsap Military & Defense Economy*, 2019.

than the regional population growth rate (**Exhibit 8** and **Exhibit 9**). The study area population represents 15.5% of the total population of Kitsap County.



Sources: Office of Financial Management, 2019; Community Attributes, 2019.

Exhibit 9. Study Area and Regional Population Growth, 2000 - 2018

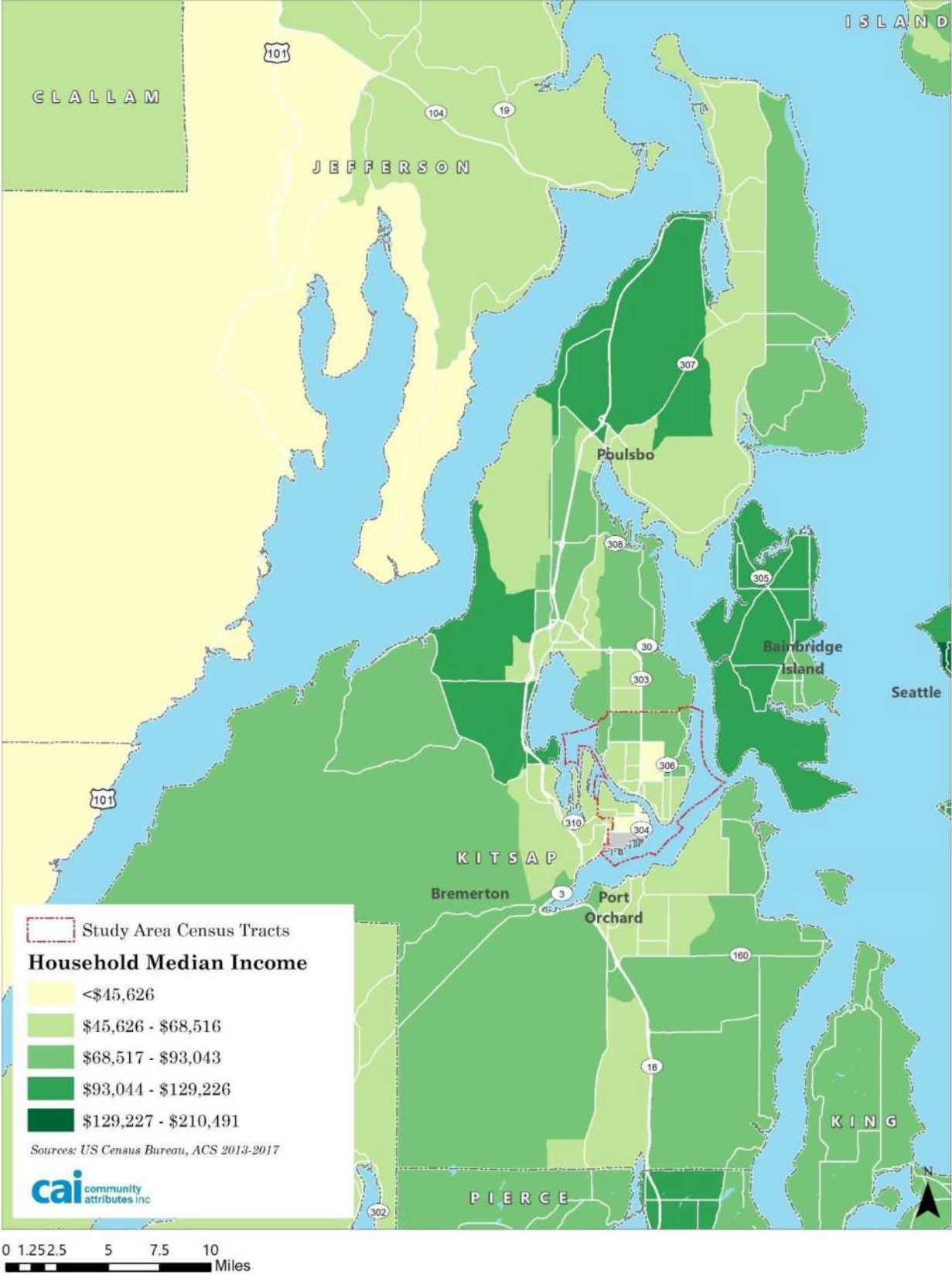
Geography	2000	2018	Change 2000 - 2018		
			Total #	Total %	CAGR
Study Area	35,200	41,400	6,200	18%	0.9%
Bremerton	37,300	41,500	4,200	11%	0.6%
Kitsap County	232,000	267,100	35,100	15%	0.8%
Central Puget Sound Region	3,275,900	4,134,700	858,800	26%	1.3%

Sources: Office of Financial Management, 2019; Community Attributes, 2019.

Income

In 2017, median household income in the study area was mostly below the countywide median household income of roughly \$68,400, except for a couple of census tracts to the North. The City of Bremerton household income in the same period was \$48,800.

Exhibit 10. Study Area Median Household Income, 2013-2017 5-Year Estimate, \$2017

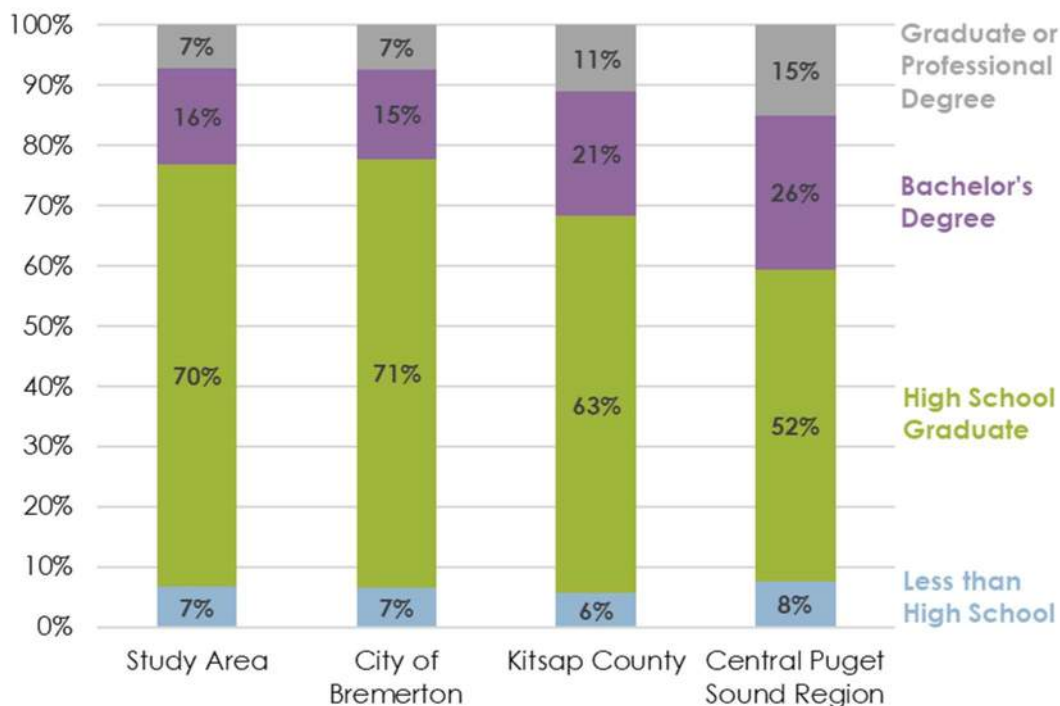


Education

Most study area residents age 25 and older (93.3%) were high school graduates in the period 2013 to 2017, a similar proportion to the County and the region. Residents with a bachelor's degree or higher made up 23% of study area residents age 25 and older compared to 32% of Kitsap County residents and 41% of Central Puget Sound Region during the same period (**Exhibit 11**).

Olympic College in Bremerton, served by the SR 303 corridor, has contributed to the increasing number of individuals obtaining Associate and Bachelor's degrees in the study area as well as accessibility to workforce development and technical training. The College offers associate degrees and certificates, as well as four-year degrees from both Western Washington University and Washington State University. The College has been growing and one of the most recent investments into the Campus was the Olympic College Instruction Center (CIC) which hosts the college's health occupations programs and the Fine Arts, Music and Theater programs.

Exhibit 11. Study Area and Regional Educational Attainment, 2013-2017 5-Year Estimate



Sources: United States Census Bureau, 2019; Community Attributes, 2019.

Land Use & Real Estate

This section outlines land use and real estate metrics for the study area comprised of the 11 census tracts surrounding Kitsap County's SR 303 corridor. Real estate metrics – including building inventory, lease rates,

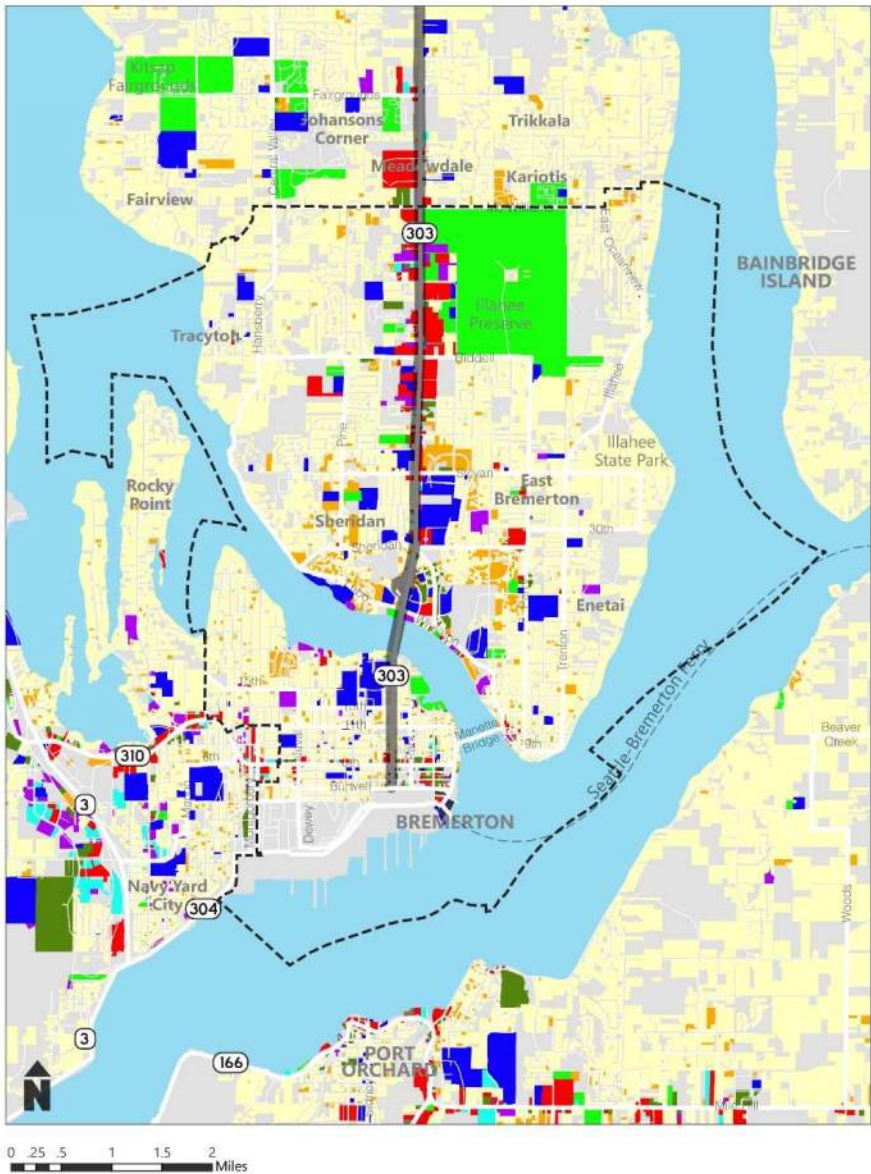
vacancy, and absorption – are presented for three different typologies: Office, Retail, and Multifamily Residential. Absorption is a measure of the difference between space being vacated and being occupied in a given period. When net absorption is positive, more space is becoming occupied than being vacated. Positive absorption can provide evidence of demand for a given type of space, though natural swings can occur when large new construction becomes available.

Land Use Patterns

Exhibit 12 describes generalized land use patterns along the SR 303 corridor, the study area, and surrounding areas. The SR 303 corridor itself is dominated by general commercial uses – including big box and chain retail such as Lowe’s, Winco, Pizza Hut, KFC, and Starbucks – and institutional uses such as the Sheridan Park healthcare node, View Ridge Elementary, and the old East Bremerton High School / East Bremerton Community Gym, Rotary Club, and Boys and Girls Club.

To the immediate north of the study area lie a number of large recreational uses, including the Kitsap County Fairgrounds and Kitsap Tennis Center. Multifamily residential uses are concentrated along the 303 corridor itself, in Sheridan Park, along McWilliams, and in Downtown Bremerton. Downtown Bremerton also contains, Olympic College and a dense node of pedestrian-scale, mixed-use development north and west of the ferry terminal and Navy Yard. The rest of the study area is comprised of single-family residential development and vacant land / open space.

Exhibit 12. Study Area Generalized Land Use, 2018



Study Area Census Tracts Boundary



SR 303 Corridor

Single-Family Residential

 Multifamily Residential

 Auto-Oriented

 Commercial

Recreation / Entertainment

 Institutional

Office & Medical

 Industrial

 Hotel / Motel

■ Transportation

■ No Data

Sources: Kitsap County, 2019; US Census Bureau, 2019



Real Estate Market

Exhibit 13 to **Exhibit 15** represent a snapshot of three real estate submarkets – office, retail, and multifamily residential – during the second quarter (Q2) of 2019, and for the previous period (all of 2018) for comparison. The overview summarizes building inventory and market indicators for all properties located within the study area for which there is CoStar data. It provides the same data for Kitsap County and the Central Puget Sound region.

These data indicate a current study area inventory of 1.5 million square feet (sf) of office space, 2.6 million square feet of retail space, and 3,466 units of multifamily residential as of Q2, 2019. This inventory is virtually unchanged from the prior period, with no new office or retail space currently under construction, and 96 units of multifamily residential under construction.

In the 12 months prior to Q2, 2019, 63,300 sf of office space, and 75,300 sf of retail space was absorbed (leased or purchased), while 26 units of multifamily residential were absorbed. Vacancy rates for both office and retail have declined dramatically (by 31% and 32%, respectively) from the prior period, while the multifamily vacancy rate declined by around 9%.

While higher than the vacancy rate across Kitsap County and the Central Puget Sound region, an office vacancy rate around 10% is considered healthy, while lower vacancy suggests a tighter market. Office vacancy across the region is considered very low. A multifamily vacancy rate below 5% is considered low, so the current multifamily market in the study area could be considered very tight.

Exhibit 13. Building Inventory & Overview - Office, Retail, & Multifamily Residential, Corridor Study Area 2019 Q2

		Inventory SF	Under Construction SF	12 Mo Net Absorption	Vacancy Rate	Market Rent / SF	Market Sale Price / SF
Office	Current	1.5 M	0	63.3 K	9.6%	\$18.76	\$164
	Prior Period	1.5 M	0	(48.9 K)	13.8%	\$18.54	\$160
Retail	Current	2.6 M	0	75.3	6.5%	\$12.93	\$135
	Prior Period	2.6 M	0	135 K	9.5%	\$12.82	\$135
		Inventory / Unit	Under Construction Units	12 Mo Net Absorption Units	Vacancy Rate	Market Rent / Unit	Market Sale Price / Unit
Multifamily Residential	Current	3,466	96	26	3.1%	\$1,155	\$134 K
	Prior Period	3,448	114	163	3.4%	\$1,088	\$120 K

Source: CoStar, 2019; Community Attributes, 2019

**Exhibit 14. Building Inventory & Overview - Office, Retail, & Multifamily Residential,
2019 Q2, Kitsap County**

		Inventory	Under Construction	12 Mo Net Absorption	Vacancy Rate	Market Rent / SF	Market Sale Price / SF
		SF	SF				
Office	Current	5.3 M	0	79.8 K	5.40%	\$20.73	\$178
	Prior Period	5.3 M	0	27.6 K	5.10%	\$20.39	\$173
Retail	Current	13.5 M	0	33.3 K	4.10%	\$16.21	\$160
	Prior Period	13.5 M	0	303 K	3.90%	\$16.19	\$167

		Inventory / Unit	Under Construction Units	12 Mo Net Absorption Units	Vacancy Rate	Market Rent / Unit	Market Sale Price / Unit
Multifamily Residential							
	Current	13,256	341	248	4.90%	\$1,312	\$165 K
	Prior Period	12,967	345	231	4.70%	\$1,233	\$146 K

Source: CoStar, 2019; Community Attributes, 2019

**Exhibit 15. Building Inventory & Overview - Office, Retail, & Multifamily Residential,
2019 Q2, Central Puget Sound Region**

		Inventory	Under Construction	12 Mo Net Absorption	Vacancy Rate	Market Rent / SF	Market Sale Price / SF
		SF	SF				
Office	Current	211 M	6.7 M	4 M	6.10%	\$36.70	\$460
	Prior Period	208 M	7.5 M	3.6 M	6.80%	\$34.49	\$437
Retail	Current	191 M	874 K	911 K	3.00%	\$24.79	\$268
	Prior Period	191 M	586 K	874 K	3.40%	\$23.54	\$256

		Inventory / Unit	Under Construction Units	12 Mo Net Absorption Units	Vacancy Rate	Market Rent / Unit	Market Sale Price / Unit
Multifamily Residential							
	Current	448,208	25,546	15,553	4.50%	\$1,652	\$298 K
	Prior Period	435,190	27,788	13,226	5.20%	\$1,588	\$279 K

Source: CoStar, 2019; Community Attributes, 2019

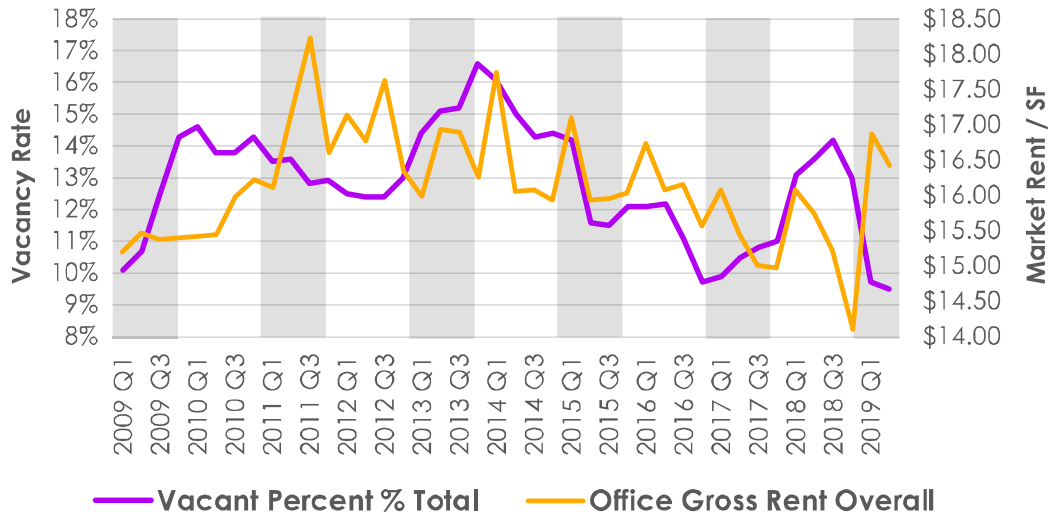
Office

Office vacancy rates for the corridor study area are re-gaining pre-Great Recession lows of under 10% after a cyclic period of higher vacancy during the recovery from the recession (**Exhibit 16**). Office rents in the study area have hovered around the \$15 - \$16.50 range for most of the period of 2009 to 2019, with occasional spikes; 2018's high vacancy rate of 14% corresponded to the lowest period of office rents at around \$14 per sf.

In the post-recessionary period, negative absorption of office space in the corridor study area corresponded with large increases in vacancy rates. Closing businesses, cuts in hiring, and other factors likely contributed to the

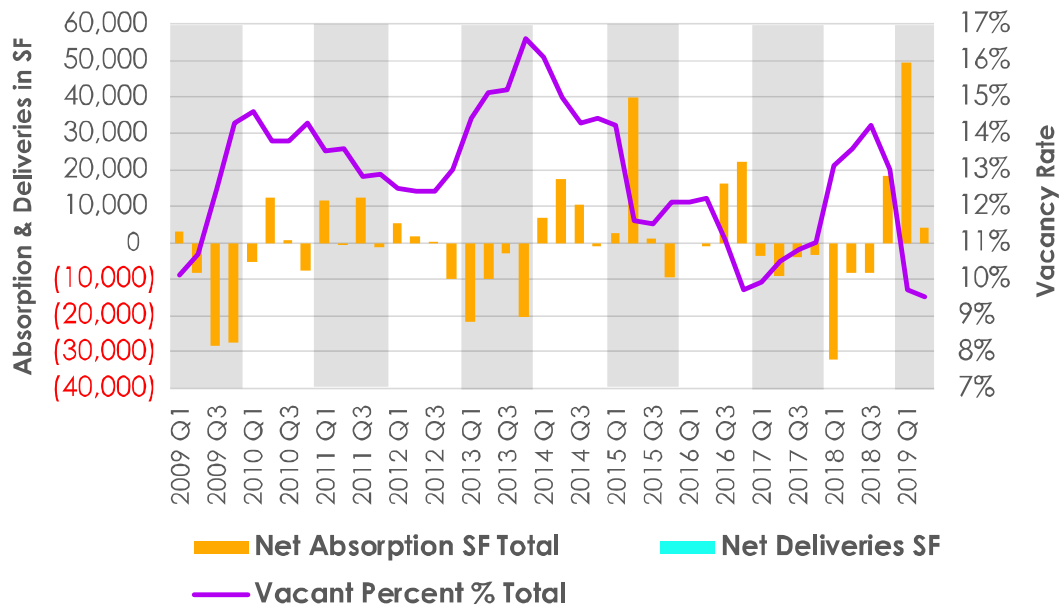
increasing over-supply of office produce in this period – especially since no new product was built. In early 2015, the market started recovering with more positive absorption of existing inventory and declining vacancy rates. The strongest quarter in the last ten years for lease and sale of office space occurred in Q1, 2019, and corresponds with a pre-recession vacancy rate of around 10% (**Exhibit 17**).

Exhibit 16. Vacancy & Lease Rates per SF - Office, 2009-2019



Source: CoStar, 2019; Community Attributes, 2019

Exhibit 17. Absorption, Deliveries, & Vacancy - Office, 2009-2019

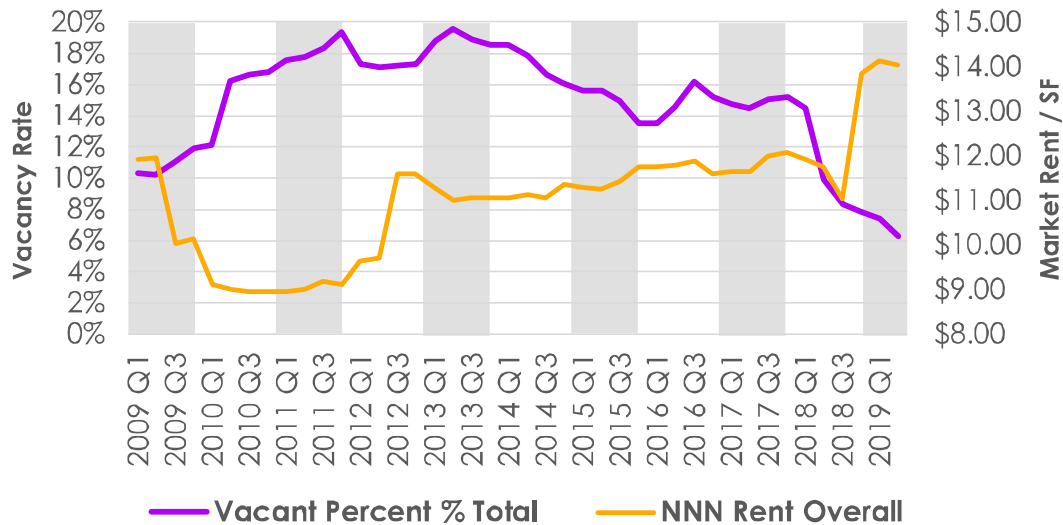


Source: CoStar, 2019; Community Attributes, 2019

Retail

The post-Great Recession period of 2010 through 2012 saw retail vacancy rates of up to 20% corresponding inversely with market rents of around \$9 per sf. In the recovery from this period, vacancy has declined, and rents have risen. The period from 2018 to the present has seen the vacancy decline to around 6% and rents rise to nearly \$14 per sf for retail space in the corridor study area (**Exhibit 18**).

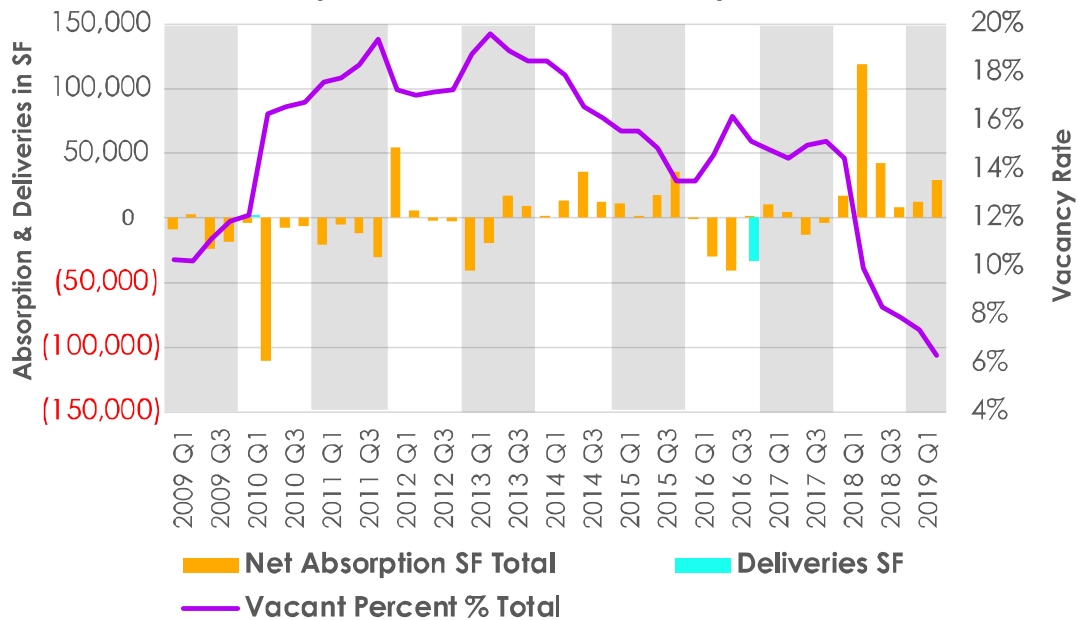
Exhibit 18. Vacancy & Lease Rates per SF - Retail, 2009-2019



Source: CoStar, 2019; Community Attributes, 2019

Like the office market, retail spaces in the corridor study area too suffered high vacancy rates and negative to flat absorption for the post-recessionary period of 2010 to 2014. Absorption of existing retail space and declining vacancy indicates some recovery in the period of 2014-2015. In late 2016 new retail space was finally delivered to the study area and, subsequently, in late 2017, vacancy rates fell dramatically, and positive absorption of new and existing product grew as the retail market strengthened (**Exhibit 19**).

Exhibit 19. Absorption, Deliveries, & Vacancy - Retail, 2009-2019

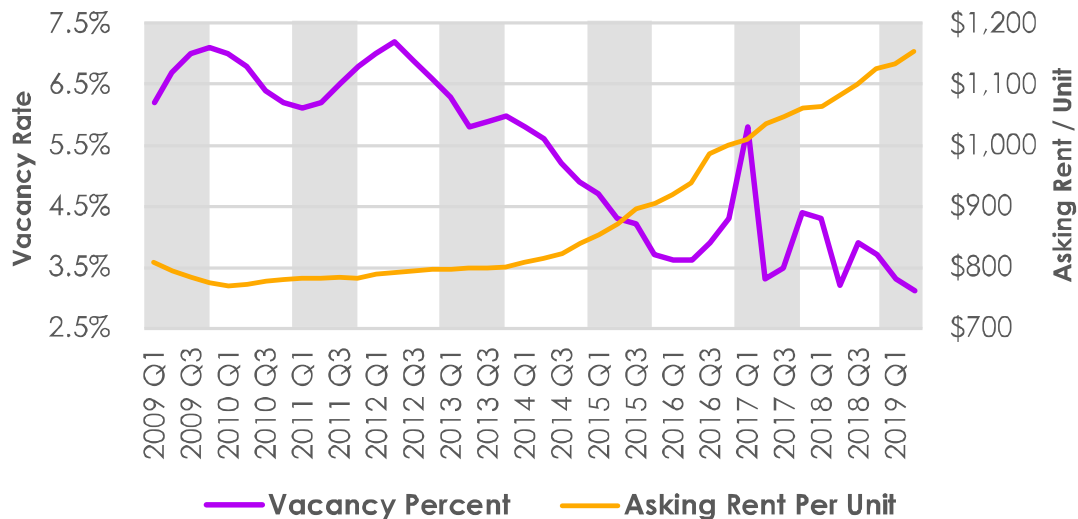


Source: CoStar, 2019; Community Attributes, 2019

Multifamily Residential

For the period following the great recession of 2010 through late 2014, multifamily residential vacancy rates were high – around 6.5% - and rents per unit low – hovering around \$800. Recovery began in early 2015 with steadily increasing rents and declining vacancy (**Exhibit 20**). Currently, rents have achieved a high of nearly \$1,200 per unit, and vacancy has fallen to around 3%.

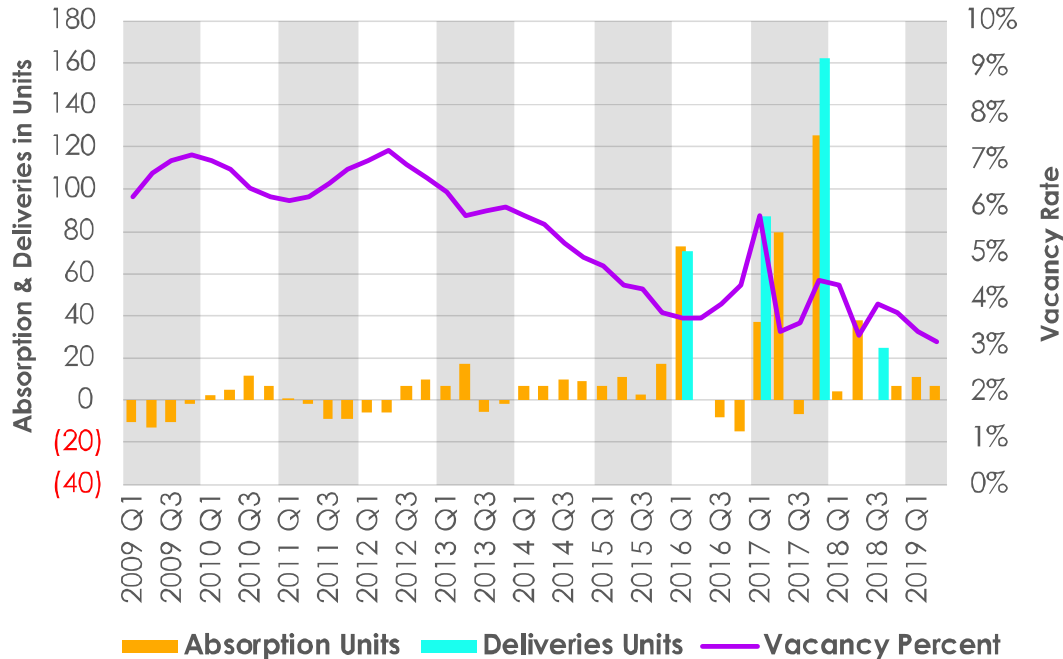
Exhibit 20. Vacancy & Lease Rates per Unit – Multifamily Residential, 2009-2019



Source: CoStar, 2019; Community Attributes, 2019

For multifamily residential space in the SR 303 corridor study area, the recovery from the post-Great Recession period has been even stronger than that for retail and office products. While vacancy rates have fallen from post-recession highs of 7% to around 3%, absorption has increased dramatically since early 2016 and over 340 new units of multifamily housing have been built. Recovery / growth in this market has stabilized in recent quarters (Exhibit 21).

Exhibit 21. Absorption, Deliveries, & Vacancy – Multifamily Residential, 2009-2019



Source: CoStar, 2019; Community Attributes, 2019

Overall, the office, retail and multifamily housing markets in the study area have recovered strongly from the Great Recession, and markedly increased lease rates combined with declining vacancy trends recently across all three categories indicate substantial investment activity in the study area and a tightening supply of product.

Single-family Residential

In the study area, there are also over 10,000 single-family lots comprising approximately 3,000 acres, and 13.9 million square feet of building area. With over 6,400 acres of total parcel area in the study area, single-family lots thus account for around 46% of all acreage in the study area tracts. According to the Kitsap County assessor, current valuation of single-family homes averages \$116 per square foot. The average age of single-family homes in the study area is 64 years old, with only around 7% of homes built in the last ten years.

Vacant Land

In addition, the study area had 1,530 vacant parcels totaling 1,542 acres – or around 24% - of the total parcel acreage in the study area. It should be noted that vacant acreage includes parks and open space, including the large Illahee Preserve areas, as well as a number of other parcels for which there is no building improvement information (as shown in **Exhibit 12**)². In terms of value, these vacant parcels account for only around 11% of total land value (excluding improvements) in the study area.

² Roughly 90% of parcels with no land use information have an improvement value of zero so these were assumed to be vacant parcels.